HALF-YEAR FINANCIAL REPORT
as of September 30, 2015

A - ACTIVITY REPORT FOR THE FIRST HALF OF FY2015/2016

1. EuropaCorp Group Results

The EuropaCorp Group's consolidated financial statements for the first half of FY2015/2016, prepared in accordance with IFRS, show consolidated revenue of €76.6 million compared with €98.0 million for the first half of the previous financial year, a decrease of 21.8%.

As a reminder, the Group's revenue is generally dependent on the release of its films through various channels. Indeed, the timetable of these releases can give rise to significant fluctuations in the revenue earned by each channel from one half-year to another. Therefore, half-year revenue and profit are not necessarily indicative of annual revenue and profit.

Consolidated revenue for the first half reflects the customary significant contribution of International Sales, greatly buoyed by the international distribution of *The Transporter – Refueled* and by royalties from the film *Lucy*. The release schedule, which was lighter than in the first half of FY2014/2015, accounts for the falloff in consolidated revenue.

The consolidated operating margin stood at €20.7 million, or 27.1% of the half-year's revenue, compared with €28.9 million or 29.5% of revenue for the same period the previous year. Operating margin remained high (over 27%) primarily due to the significant contribution of International Sales during the half-year.

Overheads amounted to €(24.8) million for the half-year ended September 30, 2015 compared with €(20.5) million for the first half of the previous financial year. This change was largely due to major strategic investments by the Group in the United States via EuropaCorp Films USA and the RED platform.

Consolidated operating profit showed a loss of €4.1 million, as compared to a profit of €7.6 million for the first half of the previous financial year.

Financial income for the half was a loss of €7.6 million, as compared to a profit of €4.0 million at September 30, 2014, and was primarily affected by financial interest for the period, principally on the senior and secondary lines of credit as well as by the share of bank fees relating to the arrangement of credit lines and which are spread over the term of these facilities.

After taking into account the positive effect of income tax expense of €9.0 million, the half-year's net profit Group share showed a loss of €3.5 million, compared with a €7.3 million profit for the first half of the previous financial year.

The cash flows from operations amounted to €21.6 million over the first half year, compared with €70.3 million for the first half of the previous financial year. This change was the result of a markedly lighter film release schedule during the first half of 2015/2016, with three films in exhibition as compared to six in the first half of 2014/2015, and the success of the film *Lucy* during the first half of the previous financial year (with 5.2 million tickets sold in France).

2. Activities

2.1 Production and Distribution of films

2.1.1 International Sales

For the half-year, International Sales totaled €36.4 million, or 47.5% of revenue, compared with €38.1 million for the first half of FY2014/2015 (i.e. 38.9% of the previous half-year's revenue). For the first half-year ended September 30, 2015, International Sales mainly consisted of the international deliveries of *The Transporter – Refueled*, along with the royalties earned on catalogue films, especially *Lucy* and *Colombiana*.

2.1.2 Distribution in theaters [1]

The revenue stemming from the Theaters business amounted to €8.1 million, compared with €16.5 million for the first half of the previous financial year, and consisted of €2.8 million for the business in France and €5.2 million for the United States.

During the first half-year, the films distributed in theaters were the following:
- *Buddy Guards*, a film by Tristan Aurouet with Manu Payet, JoeyStarr and Alice Belaïdi, released in French theaters on April 15, 2015: 147 thousand admissions;
- *A Love You,* a film by Paul Lefèvre with Antoine Gouy and Paul Lefèvre, released in French theaters on June 24, 2015: 27 thousand admissions;
- *The Transporter – Refueled,* a film by Camille Delamarre with Ed Skrein, Ray Stevenson, Loan Chabanol and Noémie Lenoir, released on September 4, 2015 in the USA and on September 9, 2015 in France (as of September 30, 2015: $15.8 million in *domestic box-office*[2] and 492 thousand admissions in France.)[3]

2.1.3 Video and VOD Releases[1]

Revenue from the Video and VOD business amounted to €7.0 million, or 9.1% of the period's total revenue, compared with €3.7 million for the first half of FY 2014/2015. This business in France, highlighted mainly by the releases of *Taken 3* and *Bis,* had revenue of €5.3 million. Video and VOD releases in the United States accounted for €1.7 million from the film *Big Game*, mainly on VOD.

2.1.4 Sales of TV rights[1]

Revenue from TV rights is recognized at the start of each broadcast schedule for a film. Over the half-year, the start of such schedules generated revenue of €11.1 million, or 14.5% of total revenue, compared with €9.2 million in the first half of FY2014/2015. This revenue mainly reflects the start of broadcast rights windows during the period for *Lucy*, *Malavita (The Family)* and *It Boy* in the French market and for *Big Game* in the U.S. market.

2.2 Production and Distribution of TV films and series

In the first half of FY2015/2016, TV Series generated revenue of €3.4 million, or 4.4% of the half year revenue, compared with €18.7 million for the first half of the previous financial year. The revenue recorded for the first half of FY2015/2016 mainly stemmed from the ongoing exploitation of *Taxi Brooklyn* and the delivery to France 3 of the TV movie *Les Années Perdues*. Key transactions in the second half-year will be the delivery of eight episodes of the series *Section Zéro* (an original production by Canal+), directed by Olivier Marchal, and by the delivery of single-episode programs.

2.3 Events

Over the first half of FY2015/2016, the Events segment generated revenue of €2.0 million, as compared to €1.4 million at September 30, 2014. This revenue mainly stemmed from the events held during the period, both on and off the Cité du Cinéma premises.

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[1] During this financial year, the EuropaCorp Group is booking its first revenues in the United States through its subsidiary EuropaCorp Films USA.
[2] *Domestic box office* includes receipts within the borders of the United States and Canada.

2.4 Multiplexes

The Multiplex business had revenue of €3.3 million for the first half of FY2015/2016 as compared to €2.7 million for the first half of the previous financial year, or an increase of 22%, due largely to higher attendance. For the period, the number of admissions rose to 338 thousand, as compared to 257 thousand in the first half of the previous financial year.

2.5 Subsidies

Revenue from Subsidies, chiefly generated by Production activities (including TV productions), Distribution in Theaters (France), Video releases (France) and Theatrical exploitation (France), was €2.4 million compared with €4.9 million in the first half of FY2014/2015.

2.6 Other activities

For the first half-year, the « Other activities » segment generated revenue of €2.9 million, in line with the first half of the previous year. It mainly consisted of the income generated by partnership contracts, license agreements, music publishing and post-production activities. This revenue also included the income stemming from the Group's coproductions.

3. Cost of sales

The « Cost of sales » (operating expenses excluding overheads) amounted to €(55.9) million, compared with €(69.1) million for the first half of FY2014/2015 as a result of lower activity during the period.

This item consists mostly of (i) amortization expense in the amount of €(18.0) million, (ii) theatrical distribution and marketing costs of €(29.0) million, primarily including the distribution and marketing expense of *The Transporter: Refueled* in the United States, distributed « directly » by EuropaCorp Films USA through the RED platform and (iii) the payments to third parties in the amount of €(6.7) million (or 12.0% of the cost of sales).

4. Capital expenditure

During this first half-year, the Group invested €84.6 million in the production of films and TV series, compared with €78.5 million during the first half of FY 2014/2015.

Investments during the half-year primarily focused on the production of English-language films with strong international potential, which will provide the line-up for the current and upcoming financial year (these films include *Shut In*, *The Lake* and *Nine Lives*).

The Group confirmed its strategy to develop its line-up of international productions through several projects with strong revenue potential.

5. Financial structure

During the half-year, there was no significant change in the Group's financial structure.

6. Significant events since the reporting date

None.

7. Risk factors and transactions between related parties

The risk factors are of the same types as those laid out in Section 4 of the 2014/2015 Registration document and have not materially changed. The amounts relating to financial and market risks as of September 30, 2015 are stated in Note 3.11 « Financial instruments » to the half-year consolidated financial statements in this report.

Transactions between related parties are described in Note 5.2 to the half-year financial statements of this report.

8. Prospects

Several high-potential films in English are currently in post-production:

- *Shut in,* directed by Farren Blackburn with Naomi Watts in the leading role. Oliver Platt, Charlie Heaton, Jacob Tremblay, David Cubitt and Clémentine Poidatz round out the cast;
- *The Lake*, written and produced by Luc Besson and directed by Steven Quale (*Into the Storm*) with Sullivan Stapleton (*300: Rise of an Empire*) in the leading role;
- *Nine Lives*, the next film directed by Barry Sonnenfeld (the *Men In Black* trilogy, *The Addams Family* etc.), starring Kevin Spacey, Jennifer Garner and Christopher Walken;
- *The Warrior's Gate*, the first French-Chinese coproduction between EuropaCorp and Fundamental Films, directed by Matthias Hoene with Uriah Shelton, Dave Bautista and Mark Zhao.

The second half of the financial year will also see production start on *Miss Sloane*, directed by John Madden, with Jessica Chastain in the title role.

Moreover, the next science-fiction film directed by Luc Besson, *Valerian and the City of a Thousand Planets*, announced during the most recent Cannes Festival, is due to start shooting in France in January 2016 with a view to a release in the United States on July 21, 2017. Adapted from the graphic novel of the same name, it will feature Cara Delevingne, Dane DeHaan, Clive Owen, Rihanna, Ethan Hawke and Herbie Hancock.

With regard to films shot in French language, *Stop Me Here*, directed by Gilles Bannier and with Reda Kateb, Léa Drucker and Gilles Cohen, will open in French theaters January 6, 2016, while *Hopefully*, the next film starring Sandrine Kiberlain and directed by Benoît Graffin, will be released on January 27, 2016.

In terms of the TV Series business, the eight episodes of the series *Section Zero*, directed by Olivier Marchal will be delivered to Canal+ in the second half of the financial year. In addition, several single-episode programs will be put into production, including one from the Mary Higgins-Clark collection.

Lastly, three new English-Language TV series are in development and are under agreement with North American networks:

- *Taken*, a 10-episode prequel to the hit trilogy, co-produced with Universal Studios for NBC. Alexander Cary (*Homeland*) will be the showrunner;
- *These Final Hours*, for which the pilot is in development for Fox. The script will be written by Zak Hilditch, the writer and director of the original Australian film from which this adaptation was made; and
- *Janus*, the remake of an Austrian series that aired on the public channel ORF, for which the pilot is in development for ABC.

B – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2015

PRESENTED IN ACCORDANCE WITH IFRS

Consolidated profit and loss statement

	September 30		Fiscal year ended March 31
(amounts in thousands of euros, except numbers of shares and per share data)	**2015**	**2014**	**2015**
Revenue	76 621	98 003	226 937
Revenue from operations	**76 621**	**98 003**	**226 937**
Cost of sales	(55 881)	(69 119)	(155 424)
Operating margin	**20 740**	**28 883**	**71 513**
Overheads	(24 768)	(20 547)	(51 505)
Other operating income and expenses	(92)	(737)	(511)
Operating income (loss)	**(4 120)**	**7 599**	**19 497**
Income from investments / (Cost of financial debt)	(4 937)	(1 177)	(2 700)
Other financial income and expenses	(2 636)	5 189	7 416
Financial income (loss)	**(7 573)**	**4 013**	**4 716**
Current income before income tax (loss)	**(11 693)**	**11 612**	**24 214**
Income tax (expense)	9 014	(3 857)	(6 960)
Net profit (loss) from associates	**(2 679)**	**7 754**	**17 253**
Share in results of associates consolidated using the equity method	(833)	(480)	(1 055)
Net income (loss)	**(3 513)**	**7 274**	**16 199**
Net income - Minority interests	(41)	(30)	(49)
Net income excluding minority interests	**(3 472)**	**7 303**	**16 248**
Basic earnings per share	(0,12)	0,25	0,55
Diluted earnings per share	(0,12)	0,25	0,55

Statement of comprehensive income

	9/30/2015	9/30/2014
Net Income	**(3 513)**	**7 274**
Income or expenses recognised directly in equity		
- Foreign currency translation differences	(6 747)	2 183
- Available-for-sale assets		
- Cash flow hedges		
- Revaluation of assets		
- Actuarial gains and losses		
- Share of other comprehensive income of associates		
- Tax on items recognised directly in equity		
Total comprehensive income recognised directly in equity	(6 747)	2 183
Total comprehensive income for the period	**(10 259)**	**9 457**

Breakdown of comprehensive income for the period	30/09/2015	30/09/2014
Shareholders of the entity	(10 218)	9 486
Minority interests	(41)	(30)
Total comprehensive income for the period	**(10 259)**	**9 457**

The above comprehensive income items recognized under Equity will subsequently be reclassified as profit (loss).

Consolidated statement of financial position

(amounts in thousands of euros)	September 30, 2015			March 31, 2015
ASSETS	**Gross**	**Depreciation/Amortization**	**Net**	**Net**
Non-current assets				
Goodwill	32 010	(3 100)	28 910	28 910
Intangible non-current assets	1 540 297	(1 269 488)	270 809	208 164
Tangible non-current assets	51 070	(21 756)	29 314	28 679
Other financial assets	4 390	(57)	4 333	4 298
Equity investments	2 950		2 950	3 113
Deferred tax credits	24 089		24 089	10 746
Other non-current assets	10 916		10 916	12 553
Total non-current assets	**1 665 723**	**(1 294 401)**	**371 322**	**296 463**
Current assets:				
Inventories	1 170	(598)	572	579
Trade and other accounts receivable	87 103	(5 134)	81 970	96 821
Other receivables	67 098	(901)	66 197	58 196
Other current assets	17 350		17 350	16 167
Cash and cash equivalents	84 244	0	84 244	71 827
Total current assets	**256 965**	**(6 633)**	**250 332**	**243 590**
Total assets			**621 654**	**540 052**

	30 September 2015	**31 March 2015**
LIABILITIES		
Shareholders' equity (parent company)		
Capital subscribed	10 047	9 967
Reserves and retained earnings	164 444	174 691
Total shareholders' equity (parent company)	**174 491**	**184 658**
Minority interests	**-194**	**-153**
Non-current liabilities:		
Provisions for pensions and other post-employment benefits	935	860
Deferred tax liabilities	22 022	17 403
Loans and other financial liabilities maturing in over one year	2 112	2 230
Deposits and guarantees received	720	712
Liabilities on acquisition of securities - part maturing in over one year	1 658	4 397
Other non-current liabilities	13 482	16 640
Total non-current liabilities	**40 928**	**42 242**
Current liabilities:		
Loans and other financial liabilities maturing in less than one year	241 339	154 426
Loss and contingency provisions	4 492	5 110
Trade and other accounts payable	55 263	54 987
Liabilities on acquisition of securities	2 832	1 539
Other liabilities	68 741	73 162
Other current liabilities	33 762	24 081
Total current liabilities	**406 429**	**313 306**
Total liabilities	**621 654**	**540 052**

At September 30, 2015 investments in associates are presented before netting so as to show the negative contributions in "Other non-current liabilities" and the positive contributions in "Investments in associates." For the sake of consistency, the financial statements for the period ended March 31, 2015 are also presented in this manner in the above table.

Statement of changes in consolidated equity

(amounts in thousands of euros, except numbers of shares)	number of ordinary shares	Capital	Issue premium	Reserves	Other elements of comprehensive income	Treasury shares	Net income	**Shareholders' equity (parent company)**	Minority interests	**Total shareholders' equity**
Balance at March 31, 2014	**29 315 154**	**9 967**	**51 732**	**94 582**	**(202)**	**(107)**	**200**	**156 172**	**(105)**	**156 067**
Allocation to reserves				200			(200)	**0**		**0**
Transfer of a part of the contribution premium to reserves								**0**		**0**
Dividend distributions								**0**		**0**
Share-based payments								**0**		**0**
Net changes in treasury shares				479		(5)		**474**		**474**
Impact of changes in scope								**0**		**0**
Currency translation reserve					11 765			**11 765**		**11 765**
Net income at 31/03/2015							**16 248**	**16 248**	(49)	**16 199**
Total income and expenses for the period				**0**	**11 765**	**0**	**16 248**	**28 012**	**(49)**	**27 963**
Capital increase								**0**		**0**
Costs related to Capital increase								**0**		**0**
Balance at March 31, 2015	**29 315 154**	**9 967**	**51 732**	**95 261**	**11 563**	**(112)**	**16 248**	**184 658**	**(154)**	**184 506**
Allocation to reserves				16 248			(16 248)	**0**		**0**
Transfer of a part of the contribution premium to reserves								**0**		**0**
Dividend distributions								**0**		**0**
Share-based payments								**0**		**0**
Net changes in treasury shares and free shares				90		(39)		**51**		**51**
Impact of changes in scope								**0**		**0**
Currency translation reserve					(6 747)			**(6 747)**		**(6 747)**
Net income at 30/09/2015							**(3 472)**	**(3 472)**	(41)	**(3 513)**
Total des produits et charges de la période				**0**	**(6 747)**	**0**	**(3 472)**	**(10 218)**	**(41)**	**(10 259)**
Capital increase								**0**		**0**
Costs related to Capital increase								**0**		**0**
Free shares plan	**233 783**	**79**		**(79)**				**0**		**0**
Balance at September 30, 2015	**29 548 937**	**10 047**	**51 732**	**111 519**	**4 816**	**(151)**	**(3 472)**	**174 491**	**(194)**	**174 298**

Consolidated Cash Flow Statements – IFRS Presentation

(amounts in thousands of euros)	**September 30**		**Fiscal year ended March 31**
	2015	**2014**	**2015**
Operating activities			
Net income (excluding minorities)	(3 472)	7 303	16 248
Net income (minorities)	(41)	(30)	(49)
Depreciation and amortization	19 076	56 113	111 274
Unrealised gains and losses relating to changes in fair value	1 133	(1 653)	(1 302)
Changes in the fair value of securities-related liabilities	0	123	311
Capital gains or losses on the disposal of assets	603	(40)	(464)
Share of income from associates consolidated using the equity method	833	480	1 055
Expenses and income linked to share-based and equivalent payments	0	0	479
Other	0	0	0
Net cash from operating activities after net financial debt and taxes	**18 132**	**62 296**	**127 551**
(Income from financial investments) / Cost of financial debt	4 937	1 177	2 700
(Income) / Tax expense	(9 014)	3 857	6 960
Net cash from operating activities before net financial debt and taxes	**14 055**	**67 330**	**137 211**
Changes in working capital requirement:			
Inventories	8	68	233
Trade and other accounts receivable	5 012	19 020	13 698
Pre-paid expenses	(823)	1 942	(2 236)
Trade and other accounts payable	(3 529)	(18 665)	528
Pre-paid income	5 803	(645)	(5 976)
Tax paid	1 041	1 282	2 330
Net cash flow from operating activities	**21 567**	**70 332**	**145 786**
Investment activities			
Acquisition of intangible non-current assets	(84 581)	(78 549)	(102 872)
Acquisition of other intangible non-current assets	(85)	(2 110)	1 791
Acquisition of tangible non-current assets	(1 882)	(158)	169
Income from disposals of tangible or intangible non-current assets	0	47	511
Net change in long-term investments	(4 069)	4 435	466
Change in liabilities on long-term investments	(1 445)	(2 232)	(4 331)
Change in minority reserves	0	0	0
Impact of changes in scope	0	0	0
Net cash flow from investment activities	**(92 063)**	**(78 566)**	**(104 268)**
Financing activities			
Dividends paid	0	0	0
Increases in capital	0	0	0
Costs related to increases in capital	0	0	0
Net change in bank borrowings and overdrafts	88 600	7 784	(27 667)
Net change in treasury shares and free shares	51	218	(5)
Interest paid	(5 763)	(1 877)	(5 136)
Interest received and net gain/loss from disposals	26	26	79
Net cash flow from financing activities	**82 914**	**6 151**	**(32 730)**
Overall change in cash position	**12 417**	**(2 084)**	**8 789**
Cash position at the start of the year	71 827	63 038	63 038
Cash position at the end of the year	**84 244**	**60 954**	**71 827**
broken down into:			
Available-for-sale securities	0	4 468	1 000
Cash and cash equivalents	84 244	56 487	70 827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE EUROPACORP GROUP

1.1 The Group's business

The core business of EuropaCorp, a Société Anonyme (public limited company) governed by French law, and its subsidiaries is the production and distribution of cinematographic work.

1.2 Changes in the scope of consolidation

No change in scope of consolidation occurred between April 1, 2015 and September 30, 2015.

NOTE - 2 SUMMARY OF PRINCIPAL ACCOUNTING METHODS USED

2.1 General accounting policies

EuropaCorp's condensed consolidated financial statements for the half-year ended September 30, 2015 were prepared in accordance with IFRS as adopted by the European Union and applicable on that date. They were prepared in accordance with IAS 34 "Interim Financial Reporting".

These financial statements do not contain all the information required for the annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements for the financial year ended March 31, 2015.

The accounting policies used are those detailed in the consolidated financial statements published on March 31, 2015 (please refer to Note 2 "Accounting Policies and Methods" to those financial statements on pages 230 et seq of the Registration Document), except for the newly applicable standards and interpretations detailed in the next section.

The condensed consolidated financial statements are presented in thousands of euros unless otherwise stated.

The half-year financial statements were reviewed by the Audit Committee on December 21, 2015 and were examined and approved by the Board of Directors on December 21, 2015.

2.2 New standards and interpretations applied

The following standards and interpretations, effective from April 1, 2014, have had no significant impact on the Group's financial statements:
- Amendments to IAS 19 "Employee Contributions" applicable to periods beginning from February 1, 2015 forward;
- Yearly improvements – 2010-2012 cycle, applicable to periods from February 1, 2015 forward and Yearly improvements- 2011-2013 cycle, applicable to periods from January 1, 2015 forward;
- IFRIC 21 "Levies" applicable to periods beginning on or after July 1, 2014.

The Group elected not to make early application of the following standards and interpretations published by the IASB and adopted by the European Union:
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" (IASB application as of January 1, 2016);
- Amendments to IAS 16 (IASB application as of January 1, 2016).

The Group does not expect any significant impact from the implementation of these new standards.

2.3 Management estimates

The preparation of interim financial statements involves making estimates and assumptions regarding the valuation of certain assets and liabilities on the consolidated statement of financial position, as well as certain items on the income statement.

Assumptions and estimates that might result in a material adjustment to the carrying amount of assets and liabilities during the following period principally affect:
- the definition of the impairment index used for goodwill and other intangible assets with an indefinite useful life;
- the measurement of the net book value of films and preliminary expenses;
- the valuation of deferred tax assets;
- the appraisal of risks related to legal actions.

NOTE 3 – NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 Goodwill

Since no impairment indicators were identified during the half-year, no impairment test was conducted and no goodwill depreciation was recognized during the first half of FY 2015/2016.

(in thousands of euros)	**3/31/2015**	Acquisitions	Depreciation	**9/30/2015**
Dog Productions	0			0
Intervista	0			0
Ydéo	0			0
Roissy Films	15,762			15,762
EuropaCorp Television (ex-Cipango)	11,984			11,984
Blue Event	0			0
Blue Advertainment	723			723
Digital Factory	442			442
Total net value	**28,910**			**28,910**

3.2 Intangible assets

(in thousands of euros)	**3/31/2015**	Movements of the period			**9/30/2015**
		+	-	Other (1)	
Films and audiovisual rights	1,318,142	2,905	(42)	17,743	1,338,748
Production costs	34,002	77,369		(17,099)	94,272
Preliminary expenses	20,334	4,280	(603)	(643)	23,368
Other	86,930	111		(3,131)	83,910
Gross amount	**1,459,407**	**84,666**	**(645)**	**(3,131)**	**1,540,297**
Films and audiovisual rights	(1,244,321)	(18,130)	42		(1,262,409)
Other	(6,922)	(157)			(7,079)
Depreciation/Provisions	**(1,251,244)**	**(18,287)**	**42**		**(1,269,488)**
Net amount	**208,164**	**66,379**	**(603)**	**(3,131)**	**270,809**
(1) *Changes in scope, transfers between items and foreign exchange impact*					

The financial costs capitalized over the period amount to €611 thousand.

The increase in the gross value of films and audiovisual rights over the period was mainly due to investments in current productions.

Films and TV productions in "productions in progress" at September 30, 2015 are principally *The Lake*, *Nine Lives*, *Shut In* and *Section Zero*.

Preliminary expenses that do not lead to a decision to shoot within 5 years from their first recognition are depreciated. However, this principle does not apply to projects having been recognized for more than 5 years, if there are specific production engagements or genuine expressions of interest, or when the company believes that the development timeframe does not call into question the start of shooting in the long term.
The value of depreciation provisions is reviewed at each period end.

At September 30, 2015, the residual net book value of projects having had their first expense recognized for over 5 years stood at €3,287 thousand.
Films and audiovisual productions are amortized individually using the film forecast method, i.e. by applying to the

cost of the film the ratio resulting from the comparison of actual net revenues and total estimated net revenues. Total net receipts include (i) net receipts earned in the period, particularly including the revenue and distribution expense of films within the United States and (ii) the estimated projected net receipts for no more than 12 years from the time of the first screening.

As stated in Section 2.7.4 of the Notes to consolidated financial statements for the period ended March 31, 2015, the time horizon used to estimate future receipts is not fixed and can be revised if the future revenues from the international release or French TV are judged to be significant and are then spread over a longer period of time.

Given (i) that EuropaCorp now handles the distribution of its own films in North America, (ii) the sales history of TV rights in France and (iii) the practices of the Group's major competitors, using a 12 year maximum period for determining projected net receipts appears reasonable and in conformity with industry practice.

At September 30, 2015 aligning the horizon for recognizing future French TV receipts with the horizon for recognizing international receipts (i.e., 12 years maximum from the initial release date) has an impact on the net book value of film productions completed and released as at September 30, 2015 (i.e., €97.4 million), before recognizing the expense for the period, which carries a reduction of approximately 3.5%.

At September 30, 2015 "Other intangible assets" mainly consisted of the initial contribution paid as part of creating RED, the shared distribution and marketing platform, in the amount of $30 million and the additional contribution of $55 million paid during the 2014/2015 period (see the Notes to the yearly consolidated financial statements for the period ended March 31, 2015, Note 1.3.)

This intangible asset with an indefinite life is, by definition, non-depreciable and is tested annually via the impairment test performed on the Production and Distribution of films CGU.

3.3 Property, Plant and Equipment

(in thousands of euros)	**3/31/2015**	Movements of the period			**9/30/2015**
		+	-	Other (1)	
Plant, machinery and equipment	11,598	347			11,945
Land, Buildings	27,105	160			27,264
Other property, plant and equipment	7,543	332	(16)	(9)	7,849
Property, plant and equipment in progress	2,958	1,053			4,011
Gross amount	**49,204**	**1,892**	**(16)**	**(9)**	**51,070**
Plant, machinery and equipment	(6,591)	(445)			(7,036)
Land, Buildings	(10,206)	(482)			(10,688)
Other property, plant and equipment	(3,728)	(323)	16	3	(4,032)
Property, plant and equipment in progress					
Depreciation/Provisions	**(20,524)**	**(1,251)**	**16**	**3**	**(21,756)**
Net amount	**28,679**	**641**	**0**	**(6)**	**29,314**
(1) *Changes in scope, transfers between items*					

Property, plant and equipment mainly include assets held by Digital Factory (buildings, facilities and technical equipment at the Normandy site), as well as those held by EuropaCorp Aéroville (development of the first EuropaCorp Cinémas multiplex).

Property, plant and equipment in progress mainly comprise investments linked to the auditorium project at the Cité du Cinéma, led by Digital Factory, as well as the EuropaCorp Cinemas project in Marseille led by EuropaCorp La Joliette.

3.4 Other financial assets

Other financial assets mainly include deposits and guarantees maturing beyond 1 year and non-consolidated securities (held by Sofica EuropaCorp).

(in thousands of euros)	9/30/2015	3/31/2015
Non-consolidated securities	469	504
Advances and down-payments on financial assets	0	0
Receivables relating to investments	0	0
Deposits and guarantees > 1 year	3,864	3,793
Net amount	**4,333**	**4,298**

Deposits and guarantees maturing beyond one year mainly comprise commitments made by two Group entities:

- EuropaCorp Aéroville, in the amount of €1,9 million as part of the lease signed for the operation of the EuropaCorp Cinemas Multiplex located in the Aéroville shopping center;
- EuropaCorp in the amount of €1.6 million under a commercial lease agreement for the Cité du Cinéma premises.

Non-consolidated securities relate to a non-controlling interest held by Sofica EuropaCorp. They are recorded based on the historic purchase price of these holdings, corresponding to the best estimate of their market value at September 30, 2015.

3.5 Investments in associates

(in thousands of euros)	9/30/2015	3/31/2015
Pass Pass la Cam'	15	8
SCI Les Studios de Paris	2,935	3,105
Investments in associates	**2,950**	**3,113**

The change is due to the loss posted by SCI Les Studios de Paris at September 30, 2015.
The contribution from Société d'exploitation des Studios de Paris (€3,312 thousand) is shown in "Other non-current liabilities".

As a reminder, EuropaCorp holds a 40% stake in these two companies and does not control them. These companies are consolidated using the equity method in the Group's consolidated financial statements.

3.6 Trade receivables

(in thousands of euros)	9/30/2015	3/31/2015
Trade receivables - nominal value	87,104	101,318
Provisions for trade receivables depreciation	(5,134)	(4,497)
Net value of trade receivables	**81,970**	**96,821**

Receivables are recognized at their nominal value after deducting the depreciation provisions for non-recoverable amounts. Doubtful receivables are estimated when it is no longer likely that the amount due will be recovered in full. Non-recoverable receivables are accounted under losses if identified as such.
Receivables beyond 1 year are due primarily by French television channels.

To secure the ongoing funding it needs for its business, EuropaCorp pledges part of these receivables as collateral for loans granted by lending institutions. However, the amounts due remain under trade receivables in the statement of financial position, as only settlement is transferred to the banks.

3.7 Other receivables

Detail of receivables by type

(in thousands of euros)	9/30/2015	3/31/2015
Advances and down-payments on orders	10,261	7,453
Support funds & COSIP	19,515	18,724
Tax and social security credits	12,354	13,982
Other receivables	24,968	18,938
Gross amount	**67,098**	**59,097**
Depreciation provisions	(901)	(901)
Net amount	**66,197**	**58,196**

At September 30, 2015, the CNC receivable broke down as follows: €9.9 million for a "Producer" support fund, €5.5 million for a "Distributor" support fund, €2.1 million for a "Video" publisher support fund, €0.5 million for an "Operator" support fund and €1.5 million for the audiovisual programming industry support account (COSIP).

The other receivables primarily include amounts owed by external co-producers. They have a maturity of less than 1 year.

3.8 Equity

3.8.1 Breakdown of share capital

Following the decision taken on May 22, 2013 by the Board of Directors of EuropaCorp to award free shares to employees, exercising the authority granted by the Extraordinary General Meeting of the shareholders on September 28, 2012, the Board noted, on May 22, 2015, that the conditions of the award had been met and proceeded to issue 233,783 new shares with a par value of thirty-four (34) euro cents each.

The Company's share capital is thus increased to €10,046,638.58, divided into 29,548,937 shares with a par value of thirty-four (34) euro cents each.

EuropaCorp's Senior Management aims to maintain a level of consolidated equity which ensures that:
- a reasonable debt/equity ratio is maintained;
- insofar as possible, a dividend is paid regularly to shareholders.

However, this amount may vary, in particular should investments of strategic interest for the Group emerge.

3.8.2 Dividend

The Group did not pay out any dividend during the period.

3.8.3 Award of free shares

On September 1, 2015 the sole shareholder of EuropaCorp Television approved a restricted stock plan for the two Executive Officers of that company.

The purpose of the plan is to strengthen the existing bonds between the company and its executive officers by offering them deeper involvement in the company's growth and future performance.

For each beneficiary, the restricted shares awarded will vest at the end of a two-year vesting period, starting from the decision to make the award, which was made on September 1, 2015. They must be held in the name of one owner and cannot be transferred or sold for a two-year lockup period after they vest.

3.9 Loans and financial liabilities

The Group's net financial debt comprises all financial liabilities, including financial instruments linked to financial investments and debt, minus cash and cash equivalents, and the associated financial instruments.
The Company's net financial debt is as follows:

(in thousands of euros)	**9/30/2015**	**3/31/2015**
Bonds > 1 year	0	0
Deposits and guarantees received	720	712
Other loans and related debt > 1 year	2,112	2,230
Total Loans maturing > 1 year	**2,832**	**2,942**
Bonds < 1 year	0	0
Bank loans	13	145
Other loans and related debt < 1 year	0	5
Production loans	174,944	137,585
Bank loans and overdrafts	66,381	16,696
Marketable securities	(144)	(1,000)
Cash and cash equivalents	(84,100)	(70,827)
Net debt	**159,926**	**85,541**

The increase in the net debt is mainly due to the increased use of the credit line for the production of English-language films with a strong international potential.

More in particular, film production is funded with credit facilities allocated specifically to films by the Company (lines of credit, bank overdrafts, other, etc.). The actual costs incurred for the specific financing of the productions underway during the period are included in the capitalized cost of the films.
The debt amounts included in the net debt table above correspond to the no longer offset balances of the Group's various cash and cash equivalents accounts. They do not include the debt for the acquisition commitment concerning SOFICA EuropaCorp shares, which is included in "Equity investment liabilities".

The marketable securities that may be held by the Group are shares in open-ended investment companies (SICAV) or money market mutual funds. The target set for these investments is a level of profitability close to the EONIA. Their assets are mainly invested in money and interest rate markets; they are readily available. They are not exposed to a material risk of depreciation.

At September 30, 2015, the marketable securities consisted of shares in money market mutual funds.

Net currency balances are in US dollars (equivalent to €2,641 thousand), in Canadian dollars (equivalent to €4 thousand), or, if applicable, in the appropriate currency for films requiring investments in other currencies (Mexican pesos, Sterling pounds - negligible amounts).

3.10 Equity investment liabilities (current and non-current)

Equity investment liabilities amounted to €4,490 thousand (of which €2,832 thousand for the current part). They correspond to the buyback guarantee given by EuropaCorp to the shareholders of Sofica EuropaCorp. The guaranteed buyback price for one share is €850, or 85% of the issue price. Each guarantee may be called upon for a period of six months after the shares have been held for eight years.
The third period authorizing subscribers to call on the buyback guarantee expired on June 30, 2015. It covered Sofica EuropaCorp shareholders who had subscribed for shares during the second capital increase in 2006.

3.11 Financial instruments

The Group's cash requirements are covered by its operating cash flows, as well as authorized overdrafts, the factoring of sales receivables, and specialized production loans.

The table below compares the book and fair value of all of the Group's financial instruments by category:

	9/30/2015		Breakdown by category of instruments				
	Net book value in statement of financial position	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Debt at amortized cost	
Non-consolidated equity holdings							Non-consolidated equity holdings
Other non-current financial assets	4,333	4,333			4,333		Other non-current financial assets
Other current financial assets	953	953			953		Other current financial assets
Derivative instruments - Assets							Derivative instruments - Assets
Cash and cash equivalents	84,244	84,244	84,244				Cash and cash equivalents
Financial assets	**89,530**	**89,530**	**84,244**	**0**	**5,286**	**0**	**Financial assets**
Debt beyond one year	2,832	2,832			720	2,112	Debt beyond one year
Debt under one year	243,088	243,088	1,749			241,339	Debt under one year
Derivative instruments - Liabilities							Derivative instruments - Liabilities
Financial liabilities	**245,920**	**245,920**	**1,749**	**0**	**720**	**243,451**	**Financial liabilities**

	3/31/2015		Breakdown by category of instruments				
	Net book value in statement of financial position	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Debt at amortized cost	
Non-consolidated equity holdings							Non-consolidated equity holdings
Other non-current financial assets	4,298	4,298			4,298		Other non-current financial assets
Other current financial assets	569	569			569		Other current financial assets
Derivative instruments - Assets							Derivative instruments - Assets
Cash and cash equivalents	71,827	71,827	71,827				Cash and cash equivalents
Financial assets	**76,694**	**76,694**	**71,827**	**0**	**4,867**	**0**	**Financial assets**
Debt beyond one year	2,942	2,942			712	2,230	Debt beyond one year
Debt under one year	154,426	154,426				154,426	Debt under one year
Derivative instruments - Liabilities							Derivative instruments - Liabilities
Financial liabilities	**157,369**	**157,369**	**0**	**0**	**712**	**156,656**	**Financial liabilities**

Financial assets and liabilities are already measured at their fair value in the accounts.

The revised version of IFRS 7 – "Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments" applies to assets and liabilities measured at their fair value and provides for a 3-level fair-value hierarchy:

- Level 1 includes inputs based on prices listed on an active market for identical assets or liabilities;
- Level 2 includes valuations based on directly observable market inputs other than Level 1 inputs;
- Level 3 includes inputs not based on observable market data.

The financial instruments used by EuropaCorp are all Level 1.

When carrying out its everyday business, the Group is exposed to interest rate and foreign exchange risks that may impact its net position.

- *Interest rate risk:*

The interest rate risk affecting the Group is mainly generated by the amounts drawn down from revolving credit lines.
The principal credit line bears interest at LIBOR or EURIBOR plus a margin of 3.25%. The margin may be reduced by 25 basis points if the guarantees cover at least 150% of the outstanding credit.

The table below summarizes the maturities of financial assets and liabilities at September 30, 2015:

		Maturities		
	9/30/2015	< 1 year	1 - 5 years	> 5 years
Fixed-rate financial assets				
Variable rate financial assets	84,244	84,244		
Financial assets not exposed	5,286	953	4,333	
Financial assets	**89,530**	**85,197**	**4,333**	**0**
Fixed rate financial liabilities				
Floating-rate financial liabilities	243,451	241,339	2,112	
Financial liabilities not exposed	720		720	
Financial liabilities	**244,171**	**241,339**	**2,832**	**0**

The following is a summary of the fluctuations in interest rate risk and sensitivity at September 30, 2015 (assumption used: 0.5-point increase interest rates):

	Fixed rate	Variable rate	Not exposed	**TOTAL**
Financial assets		84,244	5,286	**89,530**
Financial liabilities		243,451	720	**244,171**
Net equity before hedging	**0**	**(159,207)**	**4,566**	**(154,640)**
"Hedging"		0		**0**
Net equity after hedging	**0**	**(159,207)**	**4,566**	**(154,640)**
Sensitivity		(796)		**(796)**

- *Foreign exchange risk:*

The Group is exposed to translation risk for the financial statements of subsidiaries whose accounts are denominated in foreign currency and to transaction risk in the event of fluctuations in exchange rates for income generated outside the Eurozone. This risk also stems from production costs in foreign currencies relating to parts of certain films shot outside the Eurozone. If a significant portion of the revenues generated on international markets is in foreign currencies, material production costs may also be expressed in the same currencies. Thus, the Group benefits from natural hedging based on the value of flows in the opposite direction.

The Group may also use financial instruments to hedge the foreign exchange risk on cash flows, notably in relation to US$/€ fluctuations. Consequently, when the Company settles significant expenses in foreign currencies, it may sign forward currency or currency option contracts with financial institutions as required.

In accordance with IAS 39, the Group chose not to apply hedge accounting; therefore, changes in the fair value of purchase transactions and forward sales in foreign currencies completed by EuropaCorp are accounted for under financial income. The fair value of these instruments, reported in assets or liabilities in the consolidated statement of financial position under "Other receivables" or "Other financial liabilities" is calculated based on their market value measured in accordance with the closing exchange rates.

At September 30, 2015, the fair value of currency hedging instruments stood at €49,828 thousand, corresponding to a valuation impact of €1,749 thousand versus the transaction value, as illustrated in the table below:

		Maturities				
9/30/2015	Liquidation value	< 1 year	1 - 5 years	> 5 years	Market value	Fair value adjustment
Outright sale EUR/USD	0					0
Outright purchase EUR/USD	51,577	51,577			49,828	(1,749)
Total	**51,577**	**51,577**	**0**	**0**	**49,828**	**(1,749)**

As previously stated, at March 31, 2015, the Group had not entered into forward exchange or options contracts requiring fair value measurement.

Thus, the net impact of the change in the fair value of currency hedging instruments on the period's financial income was equal to €1,749 thousand at September 30, 2015.

- *Liquidity risk*

The liquidity risk EuropaCorp is exposed to concerns the production and distribution of cinematographic works. As a matter of fact, in general several months pass between the date investments are made to produce and promote a film, on the one hand, and the actual collection of broadcasting revenues. This time-lag may lead to the need for bank financing. Although EuropaCorp is committed to limit its financial exposure as far upstream as possible with a presale policy of distribution rights abroad and of the TV broadcasting rights for the films it produces, EuropaCorp cannot guarantee that it will always be able to implement this policy or that this will eliminate all of the liquidity risk.

To bridge the gap between the timing of investments and the collection of revenues from film distribution under optimum conditions, EuropaCorp has a Senior credit line for a total amount of $400 million (of which 40% in dollars, i.e. $160 million, and 60% in euros, i.e. €177.8 million). This Senior credit line is accompanied by an accordion clause that allows the amount of the credit to be raised, if necessary, by an additional $150 million.

In addition, this credit line is supplemented by a second lien credit facility, which is subordinated for a total additional amount of USD 50 million.

The maturity of the senior credit line is 5 years, for a maturity date of 10/21/2019. It bears interest at the LIBOR or EURIBOR rate plus a margin of 3.25%. The margin may be reduced by 25 basis points if the guarantees cover at least 150% of the outstanding credit.

The maturity of the second lien credit facility of USD 50 million is 5 years and 6 months. This credit bears interest at the rate of 13%, of which 6% is payable quarterly, with the balance being capitalized and payable on the maturity date of the credit.

- *Credit risk:*

The more significant loans concern the International Sales and TV Sales France businesses.
The credit risk for TV Sales France is deemed low, taking into account the size of the broadcasters and the history and good relationships between them.

For international sales, the Group's policy is to choose, in each country where its films are distributed, preferred partners with whom it has worked on several occasions in the past, while still seeking to diversify its potential partners, particularly through regular contact with various foreign players at film markets such as Cannes (Marché du Film), Los Angeles (American Film Market) or Berlin (European Film Market).
Given that the credit risk is considered low, the EuropaCorp Group has not considered it necessary so far to arrange credit insurance.
The table below shows the overall credit risk, broken down in major asset categories as at September 30, 2015:

	9/30/2015
Trade and other accounts receivable	81,970
Marketable securities	0
Other receivables exposed to credit risk	0
Total	**81,970**

- *Equity risk:*

EuropaCorp generally invests its available cash in money market products in euros or secure products (certificates of deposit, commercial paper, term accounts, etc.). Consequently, the Company believes it is not exposed to any equity risk at September 30, 2015.

In addition, at September 30, 2015, EuropaCorp held 39,657 treasury shares with a value of €151 thousand.

	Other companies' or UCITS shares portfolio	Treasury shares portfolio
Assets position	*Nil*	151
Off balance sheet	*Nil*	0
Overall assets position	***Nil***	**151**

3.12 Trade payables and other current liabilities

Breakdown of other liabilities by type

(in thousands of euros)	9/31/2015	3/31/2015
Trade payables	**55,263**	**54,987**
Equity investment liabilities	**2,832**	**1,539**
Advances and down-payments on orders	3,940	2,886
Taxes and social security contributions payable	9,960	17,344
Miscellaneous liabilities	54,841	52,932
Total other financial liabilities	**68,741**	**73,162**
Total operating liabilities	**126,836**	**129,688**

Miscellaneous liabilities at September 30, 2015 are mainly expenses comprising repayments to rights-holders and costs incurred for ongoing productions, and the debt of €44,869 thousand (equivalent to $54.5 million) used to finance the repurchase of the Group's initial obligations towards Relativity incurred during the period ended March 31, 2015. This operating liability was not discounted at September 30, 2015, given the uncertainty over the exact timing of the repayment.

Taxes and social security contributions primarily comprise collected VAT and expenses payable for miscellaneous taxes and social securities contributions.
All current liabilities have a maturity of less than 1 year.

3.13 Other assets and liabilities (current and non-current)

(in thousands of euros)	9/30/2015	3/31/2015
Other current assets	17,350	16,167
Other non-current assets	10,916	12,553

Other current assets mainly consisted of prepaid expenses (amounting to €12,941 thousand at September 30, 2015) for productions yet to be released via the chosen media, as well as deposits and guarantees totaling €953 thousand. Other current assets also included the portion of bank commissions with maturity under 1 year (€3,456 thousand), spread over the life of the two credit lines set up.

Other non-current assets include €926 thousand corresponding to the portion of prepaid expenses with maturity beyond one year, €9,455 thousand in deferred expenses for bank commissions (spread out over the life of the credit lines), and €535 thousand in other receivables (maturity beyond one year).

(in thousands of euros)	9/30/2015	3/31/2015
Other current liabilities	33,762	24,081
Other non-current liabilities	13,482	16,640

Other current liabilities solely comprised deferred income corresponding to billed revenues reported as revenue based on an event that had not occurred at the end of the period. Deferred income is posted under non-current liabilities when the maturity for revenue recognition is beyond 1 year. At September 30, 2015, the portion of deferred income maturing under 1 year amounted to €33,762 thousand.

Deferred income (current and non-current) breaks down as follows:

(in thousands of euros)	9/30/2015	3/31/2015
TV rights items	31,632	30,507
Undelivered international sales	9,551	4,330
Subsidies	585	1,175
Sales of rights	0	0
Partnerships	250	173
Other deferred income	1,414	1,445
Total deferred income	**43,433**	**37,630**

Other non-current liabilities include the portion of deferred income maturing beyond a year (€9,671 thousand).

NOTE 4 – NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

4.1 Revenue

(in thousands of euros)	Financial year ended September 30		Year ended March 31
	2015	2014	2015
- Production	55,294	73,503	174,268
- Distribution	11,666	17,397	30,823
- Video	3,884	2,553	10,238
- Events	2,045	1,359	4,355
- EuropaCorp Cinemas	3,340	2,763	6,101
- Miscellaneous	393	427	1,152
Total	**76,621**	**98,003**	**226,937**
Of which support funding generated (including COSIP)	2,434	4,895	9,751
Of which revenue from exports	**37,585**	**50,830**	**107,338**

EuropaCorp Group's consolidated revenues totaled €76,621 thousand as at September 30, 2015, compared to €98,003 thousand at September 30, 2014, for a decrease of -22%.

"Production" revenue:

- Television sales in France (including VOD) amounted to €11.4 million, slightly higher than in the first half of financial year 2014/2015 (€10.5 million), and are indicative of the number of release windows scheduled over the period;
- International sales totaled €38 million at September 30, 2015 and consisted mainly of foreign deliveries of the film *The Transporter – Refueled* and of royalties earned from films in the catalog (such as *Lucy* and *Colombiana*);
- Revenue from the sale of TV films and series totaled €3.3 million at September 30, 2015, compared to €19.8 million at September 30, 2014, and mainly reflects the ongoing showing of the series *Taxi Brooklyn* and the delivery to France 3 of the TV movie *Les Années Perdues…*;
- Receipts from derived rights (partnerships, licenses, etc.) amounted to €2.0 million at September 30, 2015, compared to €1.3 million at September 30, 2014;
- The other components in "Production" Revenue are co-producer revenues (€0.4 million), funding support ("producer's share" €1.6 million), and income generated by post-production and brand content activities.

"Distribution" Revenue :

- Theater admissions in France generated €16.2 million in revenue, which was due in particular to the release during the period of the films *The Transporter – Refueled*, *Buddy Guards* and *A Love You*;
- U.S. Operations, sustained by the releases of *The Transporter – Refueled* and *Big Game*, generated revenue of €8.3 million;
- The other components of the "Distribution" Revenue are funding support ("distributor's share" €0.5 million) and miscellaneous revenues for €0.9 million (French overseas departments and territories, airlines, goods exchanges).

"Video" Revenue :

Key events in The Video business (€3.9 million) included the video releases of *Bis* and *Taken 3* along with continued sales from the film catalog.

As a reminder, the Group's revenue is generally dependent on the releases of its films through various channels. Indeed, the timetable of these releases can give rise to significant fluctuations in the revenue earned by each channel from one half-year to another. Therefore, half-year revenue and profit are not necessarily indicative of annual revenue and profit.

Events Revenue:

- Event activities (events organized by Blue Event) generate revenues of €2.0 million over the period.

"EuropaCorp Cinemas" Revenue:

- The Multiplexes business generated €3.3 million in revenue (with €0.86 million in funding support), a steady increase that reflects the income generated by the first EuropaCorp Cinemas multiplex in the Aéroville shopping center.

4.2 Operating margin

EuropaCorp Group's operating margin totaled €20,740 thousand (27% of revenue) at September 30, 2015, compared to €28,883 thousand (29% of revenue) at September 30, 2014.

The operating margin remained high primarily due to the significant contribution of International Sales during the half-year.

4.3 Overheads

The change in overheads is largely due to the major strategic investments made by the Group in the United States through EuropaCorp Films USA and the RED platform. The change in overheads amounted to €24.8 million at September 30, 2015, versus €20.5 million for the period ended September 30, 2014.

It should be noted that the cost of the rent on La Cité du Cinéma is presented net, in the consolidated financial statements of the Group at September 30, 2015, of the re-invoicing of share of rent paid by Front Line in order to reflect the net rent charge that the EuropaCorp Group supports.

4.4 Financial income

(in thousands of euros)	**Financial year ended September 30**	
	2015	**2014**
Net financial debt	(4,937)	(1,177)
Other financial income and expenses	(2,636)	5,189
Financial income	**(7,573)**	**4,013**

Financial income for the half was a loss of €7.6 million, as compared to a profit of €4.0 million at September 30, 2014, and was primarily affected by financial interest for the period, principally on the senior and secondary lines of credit as well as by the share of bank fees relating to the arrangement of credit lines (including expenses for lines that were refinanced) and which are spread over the term of these facilities.
As stated previously, these fees were paid in full during previous reporting periods.
"Other financial income and expenses" also include the impact from the discounting of the debt on Sofica EuropaCorp securities and the period-end valuation of foreign exchange hedging instruments and payables and receivables denominated in foreign currencies.

4.5 Tax

Breakdown of tax by type

(in thousands of euros)	**Financial year ended September 30**	
	2015	**2014**
Current tax	81	113
Deferred tax	8,933	(3,970)
Total tax income/(expense)	**9,014**	**(3,857)**

Given the company's volume projections at the time the interim consolidated financial statements were prepared, the carryable tax losses were capitalized as at September 30, 2015.
The deferred tax asset recognized as a result of carryable tax losses by EuropaCorp Films USA was €13.7 million, of which €11.8 million was capitalized for the period.
The business forecasts used and updated in November 2015 to recognize these liabilities apply to a five-year period from the year ended March 31, 2015.
At September 30, 2015 deferred tax assets net of deferred tax liabilities were €2.1 million.

NOTE 5 – OTHER INFORMATION

5.1 Notes on the statement of cash flows

- *Cash from operations*

During the financial year ended September 30, 2015, the Group generated net cash flow of €21,567 thousand, a decrease of €48,765 thousand compared to September 30, 2014. This change is the result of low volume in the first half of the year and to the success of *Lucy* in the first half of the previous year.

The change in working capital requirement amounted to €6,471 thousand in the first half of 2015, compared to €(1,720) thousand in the first half of 2014.

- *Cash flows from investments*

At September 30, 2015, net cash flows from investments totaled €(92,063) thousand, compared to €(78,566) thousand at September 30, 2014.
The increase in these cash flows is a direct consequence of continued investment in big-budget film and television productions with great international potential.

- *Cash flows from financing*

As at September 30, 2015, net cash from financing totaled €82,914 thousand. The increased investment in the half-year as compared to the first half of the previous year has resulted in a greater use of lines of credit, which is reflected in a corresponding increase in debt.

5.2 Related party transactions

Agreements signed with related parties were identified in the 2014/2015 Registration Document filed with the French Financial Markets Authority (AMF) on July 20, 2015, in Chapter 19 "Related-Party Agreements" and Note 5.2 "Related-Party Transactions."

Besides those described in the 2014/2015 Registration Document there were no new agreements with related parties made during the first half of 2015.

The table below summarizes flows and balances of related party transactions.

(in thousands of euros)	**9/30/2015**	**3/31/2015**
Receivables		
Trade receivables and other operating receivables	3,025	972
Debit balances and other current financial receivables	-	-
Debt		
Other non-current financial liabilities	585	579
Trade payables and other operating liabilities	750	187
Financial current accounts receivable	-	-
Revenue	41	23
Operating expenses	(966)	(1,616)
Financial expenses	(14)	-
Financial income	-	-

5.3 Commitments and contingent liabilities

The Group off-balance sheet commitments at September 30, 2015 are as follows (in thousands of euros):

Commitments given to third parties (in thousands of euros)	**Sept 30, 2015**	**March 31, 2015**
Financial commitments for leases*	56,009	58,856
Financial commitments for cinematographic investments	3,95	7,134
Total commitments given	**59,959**	**65,989**

Commitments in favor of EuropaCorp (in thousands of euros)	**Sept 30, 2015**	**March 31, 2015**
Commitments from clients		
• *For the cinematographic business*	61,718	26,698
• *Support funds for audiovisual activities*	4,084	3,579
Financial commitments for leases**	19,122	19,809
Total commitments received	**84,924**	**50,087**

** Relates to the lease agreement for the Cité du Cinéma business park, with a term of 12 years starting from April 6, 2012.*
*** Relates to the sub-lease agreement entered into with Front Line for the Cité du Cinéma business park, with a term of 12 years.*

The increase in off-balance sheet commitments received in connection with operations refers to sales contracts signed on feature-length films with great international potential.

In the dispute with a third-party co-producer, the company, which had been ordered by the first-instance court to pay €1.5 million, was finally ordered to pay the third party the sum of €0.4 million, on condition that the third-party co-producer issued a repayment guarantee for €0.25 million. The Paris Court of Appeal has appointed an independent expert to provide the court with all the necessary information for it to draw up the parties' accounts. The expert's report has to be filed before May 31, 2016 (see Notes to the annual consolidated financial statements of March 31, 2015, Note 3.11.1).

5.4 Subsequent events

Nil.

NOTE 6 – OPERATING SEGMENTS AND DATA BY SEGMENT

6.1 Overview of standard

6.1.1 General context

Under IFRS 8, the Group must disclose information "to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates."

As a consequence, the Group defined its operating segments in compliance with the standard's criteria to present separate information by segment.

6.1.2 Definition of operating segments

An operating segment is a component of the company:
- carrying out activities likely to generate income and expenses,
- whose operating profit (loss) is regularly reviewed by the main operational decision-maker in the entity to make decisions in relation to the resources to be allocated to the segment and assess its performance,
- for which separate financial information is available.

As such and taking into account the approach set out by IFRS 8, operating segments have been identified based on internal reporting.

6.2 Identification of the EuropaCorp Group's operating segments

The Group tracks its performance by monitoring its activities and businesses.

Following the acquisition of the Blue Group, the EuropaCorp Group now operates in 4 different areas constituting as many "operating segments" under IFRS 8, detailed below:

- *Production and distribution of films*: This segment includes all operations involving films, i.e.: distribution to theaters, video release, TV sales, international sales, licensing and partnerships, executive production, income from co-production, etc.
- *Production and Distribution of TV films and series*: This segment covers all operations for TV films and series. They are carried out by subsidiaries EuropaCorp Television (former Cipango), fully owned by EuropaCorp and EuropaCorp TV since July 30, 2014. This segment's duration of production cycles, funding means and the elements generating the margin are different from the segment "Production and Distribution of films", which justifies the existence of a separate operating segment.
- *Events*: This segment comprises all operations to run events inside or outside La Cité du Cinéma and corresponds to the activities of Blue Event, fully consolidated since February 28, 2013 following the capital increase through contribution in kind.
- *Multiplexes*: This segment covers the screening of films in theaters, i.e. the activities carried out by EuropaCorp Aéroville and EuropaCorp La Joliette.
- *Other*: This segment includes all related activities not directly connected to the screening of films in theaters or their broadcasting on TV, i.e.: book publishing, advertising income, music publishing income, miscellaneous income, etc.

6.3 Financial information by operating segment

The measurement and presentation method for the figures relating to each operating segment is compliant with the accounting policies and methods described for the preparation of consolidated financial statements.

6.3.1 Consolidated statement of financial position by operating segment

9/30/2015	Production and distribution of films	Production and distribution of TV films and series	Events	Multiplexes	Other	Non allocated items	**Total**
Net goodwill	16,926	11,984	0	0	0		28,910
Net intangible assets	246,347	23,703	743	16	0		270,809
Net Property, Plant and Equipment	13,157	38	68	16,045	6		29,314
Other net financial assets	2,455	0	3	1,875	0		4,333
Investments in associates	15	0	0	0	2,935		2,950
Deferred tax assets	23,115	943	0	0	32		24,089
Other net non-current assets	9,990	926	0	0	0		10,916
Total non-current assets	*312,005*	*37,594*	*814*	*17,937*	*2,972*		*371,322*
Inventory	470	0	0	102	0		572
Net trade receivables	76,502	3,835	1,118	232	282		81,970
Other net receivables	54,471	8,584	12	2,937	193		66,197
Other net current assets	16,247	138	30	933	2		17,350
Cash and cash equivalents	83,476	466	63	134	105		84,244
Total current assets	*231,167*	*13,023*	*1,223*	*4,338*	*581*		*250,332*
TOTAL ASSETS	**543,172**	**50,617**	**2,037**	**22,275**	**3,553**	**0**	**621,654**

Equity-Group share						*174,491*	*174,491*
Non-controlling interests	*0*	*0*	*(194)*	*0*	*0*		*(194)*
Provisions for pensions and other post-employment benefits	935	0	0	0	0		935
Deferred tax liabilities	21,100	557	202	159	4		22,022
Bonds and financial liabilities > 1 year	2,125	(13)	0	0	0		2,112
Deposits and guarantees received	720	0	0	0	0		720
Liabilities on acquisition of securities – part maturing in over one year	1,658	0	0	0	0		1,658
Other non-current liabilities	8,644	1,406	62	0	3,370		13,482
Total non-current liabilities	***35,182***	***1,950***	***264***	***159***	***3,374***	***0***	***40,928***
Bonds and financial liabilities < 1 year	230,260	11,078	0	0	0		241,339
Provisions for risks and expenses	4,410	0	0	0	81		4,492
Trade payables	48,064	1,870	544	4,317	468		55,263
Equity investment liabilities	2,832	0	0	0	0		2,832
Other financial liabilities	65,112	2,842	96	411	280		68,741
Other current liabilities	25,939	7,641	5	177	0		33,762
Total current liabilities	***376,618***	***23,432***	***645***	***4,905***	***829***	***0***	***406,429***
TOTAL LIABILITIES	**411,799**	**25,382**	**715**	**5,064**	**4,204**	**174,491**	**621,654**

Films and audiovisual rights investments	76,422	8,147		12			84,581

3/31/2015	Production and distribution of films	Production and distribution of TV films and series	Events	Multiplexes	Other	Non allocated items	**Total**
Net goodwill	16,926	11,984	0	0	0		28,910
Net intangible assets	188,580	18,792	786	5	0		208,164
Net Property, Plant and Equipment	12,149	48	79	16,397	7		28,679
Other net financial assets	2,414	0	8	1,875	0		4,298
Investments in associates	8	0	0	0	3,105		3,113
Deferred tax assets	9,860	855	0	0	30		10,746
Other net non-current assets	11,627	926	0	0	0		12,553
Total non-current assets	*241,564*	*32,606*	*873*	*18,278*	*3,142*		*296,463*
Inventory	467	0	0	113	0		579
Net trade receivables	89,080	5,472	1,443	281	545		96,821
Other net receivables	44,269	10,463	189	2,907	367		58,196
Other net current assets	14,942	211	72	941	1		16,167
Cash and cash equivalents	70,368	422	0	1,037	0		71,827
Total current assets	*219,126*	*16,569*	*1,704*	*5,279*	*913*		*243,590*
TOTAL ASSETS	**460,689**	**49,174**	**2,577**	**23,557**	**4,055**	**0**	**540,052**

Equity-Group share						*184,658*	*184,658*
Non-controlling interests	*0*	*0*	*(153)*	*0*	***0***		*(153)*
Provisions for pensions and other post-employment benefits	860	0	0	0	0		860
Deferred tax liabilities	16,491	557	222	128	4		17,403
Bonds and financial liabilities > 1 year	2,375	(145)	0	0	0		2,230
Deposits and guarantees received	712	0	0	0	0		712
Liabilities on acquisition of securities – part maturing in over one year	4,397	0	0	0	0		4,397
Other non-current liabilities	12,274	1,633	62	0	2,672		16,640
Total non-current liabilities	***37,109***	***2,045***	***284***	***128***	***2,676***	***0***	***42,242***
Bonds and financial liabilities < 1 year	137,333	16,933	22	0	138		154,426
Provisions for risks and expenses	4,984	45	0	0	81		5,110
Trade payables	47,122	1,921	387	4,893	664		54,987
Equity investment liabilities	1,539	0	0	0	0		1,539
Other financial liabilities	68,147	3,905	391	288	431		73,162
Other current liabilities	23,149	697	36	199	0		24,081
Total current liabilities	***282,274***	***23,500***	***837***	***5,380***	***1,314***	***0***	***313,306***
TOTAL LIABILITIES	**319,383**	**25,545**	**967**	**5,508**	**3,991**	**184,658**	**540,052**

Films and audiovisual rights investments	76,696	26,169		7			102,872

6.3.2 Consolidated profit and loss statement by operating segment

9/30/2015	Production and distribution of films	Production and distribution of TV films and series	Events	Multiplexes	Other	**Total**
Revenue	**65,960**	**4,526**	**2,045**	**3,340**	**751**	**76,621**
Cost of sales	(47,376)	(3,597)	(2,154)	(2,738)	(16)	(55,881)
Operating margin	***18,584***	***929***	***(109)***	***602***	***735***	***20,740***
General and administrative expenses	(21,222)	(1,235)	(232)	(1,781)	(298)	(24,768)
Other op. income & expenses	51	(82)	0	(14)	(47)	(92)
Operating profit (loss)	***(2,588)***	***(387)***	***(342)***	***(1,193)***	***390***	***(4,120)***
Financial income	***(7,435)***	***(136)***	***(1)***	***(1)***	***0***	***(7,573)***
Income tax	9,136	83	20	(31)	(195)	9,014
Share of net income of associates	7	0	0	0	(841)	(833)
Share of non-controlling interests	0	0	(41)	0	0	(41)
Profit (loss) attributable to owners of the parent company	***(879)***	***(440)***	***(282)***	***(1,224)***	***(646)***	***(3,472)***

3/31/2015	Production and distribution of films	Production and distribution of TV films and series	Events	Multiplexes	Other	**Total**
Revenue	**178,841**	**36,324**	**4,355**	**6,102**	**1,316**	**226,937**
Cost of sales	(115,609)	(31,461)	(3,546)	(4,817)	9	(155,424)
Operating margin	***63,233***	***4,863***	***808***	***1,284***	***1,325***	***71,513***
General and administrative expenses	(43,609)	(2,990)	(825)	(3,268)	(814)	(51,505)
Other op. income & expenses	(506)	(57)	55	13	(15)	(511)
Operating profit (loss)	***19,118***	***1,816***	***38***	***(1,970)***	***496***	***19,497***
Financial income	***4,483***	***226***	***0***	***8***	***(1)***	***4,716***
Income tax	(6,481)	(137)	51	(95)	(298)	(6,960)
Share of net income of associates	5	0	0	0	(1,060)	(1,055)
Share of non-controlling interests	0	0	(49)	0	0	(49)
Profit (loss) attributable to owners of the parent company	***17,125***	***1,906***	***138***	***(2,058)***	***(863)***	***16,248***

C – STATUTORY AUDITORS' REPORT

Period of April 1 to September 30, 2015
Statutory auditors' report on the interim financial statements

This is a free translation into English of the statutory auditors' report on the interim financial statements issued in the French language and is provided solely for the convenience of English speaking readers. The report must be read in conjunction and construed in accordance with French law and French auditing professional standards.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your General shareholder's meetings, and in application of Article L.451-1-2 III of the French Monetary and Financial Code ("Code Monétaire et financier"), we have performed:
- A limited review of the accompanying interim condensed consolidated financial statements of EuropaCorp SA for the period from April 1 to September 30, 2015,
- verifications on the information provided in the half-yearly management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express our conclusion on these financial statements, based on our limited review.

I. Conclusion on the financial statements

We have conducted our limited review in accordance with professional standards applicable in France.

A limited review mainly consists of interviewing management in charge of accounting and financial matters and applying analytical procedures. These procedures are less broad in scope that those required for an audit performed in accordance with French auditing standards. Accordingly, a limited review only provides moderate assurance, which is less assurance than that provided by an audit, that the financial statements taken as a whole are free of material misstatements.

Based on our limited review, nothing has come to our attention that cause us to presume that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, the IFRS – standard relating to interim financial reporting adopted by the European Union.

II. Specific verification

We have also verified the information presented in the half-yearly management report commenting on the interim condensed consolidated financial statements that were the subject of our limited review.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Lyon, December 21, 2015

French original signed by
The Statutory auditors,

Auditeurs & Conseils Associés	**Premier Monde**
Olivier Juramie	Arnaud Malivoire

D – PERSON RESPONSIBLE FOR THE DOCUMENT

I certify that, to my knowledge, the condensed interim consolidated financial statements are prepared in accordance with applicable accounting standards and give a true and fair view of the assets and financial position and results of EuropaCorp, or all of the companies included in the scope of consolidation, and that the interim management report accurately presents the significant events that occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements, the principal risks and uncertainties for the remaining six months of the fiscal year and the main transactions between related parties.

Saint-Denis, December 22, 2015

Christophe Lambert
Chief Executive Officer